

# United States Senate

WASHINGTON, DC 20510

August 7, 2018

The Honorable Steven T. Mnuchin  
Secretary  
United States Department of the Treasury  
1500 Pennsylvania Avenue, N.W.  
Washington, D.C. 20220

Dear Secretary Mnuchin:

We write to ask that the Committee on Foreign Investment in the United States (CFIUS), which you chair, review the transaction between AltPoint Capital, a venture fund whose largest investor is Russian oligarch Vladimir Potanin, and ByteGrid LLC, a U.S. web hosting and data center company.

ByteGrid hosts Maryland's voter registration system, candidacy and election management system, online ballot delivery system, and unofficial election night results website. Access to these systems could provide a foreign person with ties to a foreign government with information that could be used for intelligence or other purposes adverse to U.S. interests. For that reason, AltPoint Capital's relationship with ByteGrid must be carefully scrutinized, and if the administration determines that it poses a threat to national security, appropriate remedies must be pursued.

We know that our elections are under threat from foreign cyberattacks and disinformation efforts. Our democratic process can also be manipulated through foreign investment in elections infrastructure. In July, the Federal Bureau of Investigation notified Maryland officials that Mr. Potanin had made a substantial investment in a firm used by the Maryland State Board of Elections to register voters and deliver online ballots.

In response to this notification, Maryland Governor Larry Hogan, Senate President Thomas V. Mike Miller, Jr., and House Speaker Michael Busch wrote to the Department of Homeland Security (DHS) Secretary Kirstjen Nielsen to request that the DHS Office of Cybersecurity and Communications furnish technical assistance to evaluate the network used by the State Board of Elections, including auditing its integrity.

Currently, CFIUS is authorized to review foreign investments in U.S. companies that result in foreign control of the company. If an investment poses a threat to national security, it can be blocked. If either AltPoint Capital or ByteGrid did not file a notice with CFIUS, the Committee has the ability to look back at any completed transaction that results in control and threatens national security and take steps to address the national security threat, including requiring divestment.

In addition, last week, Congress approved the National Defense Authorization Act which includes the Foreign Investment Risk Review Modernization Act (FIRRMA). This legislation enhances our national security by strengthening the CFIUS review process. Specifically, once enacted, the new law would allow CFIUS to review transactions beyond just those that could result in foreign control of a U.S. business, to include “other investments” by a foreign person in a U.S. business involved in U.S. critical infrastructure. Critical infrastructure, as defined by DHS, includes election infrastructure – such as voter registration databases and associated systems, systems used to manage elections, voting systems, storage facilities for election and voting systems, and polling places, including early voting locations. To that end, on July 31, 2018, Senator Van Chris Van Hollen, along with Banking Committee Chairman Mike Crapo and Ranking Member Sherrod Brown engaged in a colloquy affirming that Congress intended FIRMMA to cover elections infrastructure. Secretary Mnuchin, you played a critical role in advancing this legislation, and it is expected that President Trump will sign it into law in short order.

Based on existing authorities and new authorities recently given to CFIUS by Congress, we respectfully request that CFIUS provide assurance that it has already conducted full and rigorous investigation into AltPoint Capital’s investment in ByteGrid LLC, that it is in the process of conducting an investigation, or that it will review the transaction in order to address concerns that Mr. Potanin’s relationship with the Russian Government may threaten Maryland’s and America’s elections infrastructure and undermine the integrity of our elections.

Sincerely,



Chris Van Hollen  
United States Senator



Benjamin L. Cardin  
United States Senator